

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

143



**FROM:** Economic Development Agency / Facilities Management

**SUBMITTAL DATE:**  
July 17, 2014

**SUBJECT:** Fifth Amendment to Lease, Riverside County Regional Medical Center, Human Resources, Moreno Valley, 10 year lease, District 5/District 5, CEQA Exempt, [\$22,700,333], RCRMC Departments-Hospital Enterprise Fund – 72.16%; MISP- 11.84% General Fund; Human Resources and Occupational Health - Operating Budgets – 16%

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities; and,
2. Approve the attached Fifth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County,

**BACKGROUND:**

FISCAL PROCEDURES APPROVED  
PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
BY: Esteban Hernandez 7/17/14

Robert Field  
Robert Field  
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
<b>COST</b>	\$ 2,019,155	\$ 2,047,848	\$ 22,700,333	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
<b>NET COUNTY COST</b>	\$ 239,068	\$ 242,465	\$ 2,687,719	\$ 0	

**SOURCE OF FUNDS:** RCRMC Departments-Hospital Enterprise Fund – 72.16%; MISP- 11.84% General Fund; Human Resources and Occupational Health - Operating Budgets – 16%  
**Budget Adjustment:** No  
**For Fiscal Year:** 2014/15-23/24

**C.E.O. RECOMMENDATION:**

Reviewed by  
**CIP TEAM**  
Alex Gann  
County Executive Office Signature

APPROVE  
Rohini Dasika  
BY: Rohini Dasika

**MINUTES OF THE BOARD OF SUPERVISORS**

FORM APPROVED COUNTY COU  
BY: Michael T. Stock 6/25/14  
Michael T. Stock, Assistant County Executive  
Department of Human Resources

BY: Lowell Johnson  
Lowell Johnson, Chief Executive Officer  
Riverside County Regional Medical Center  
Department of Health Services

- Positions Added
- Change Order
- A-30
- 4/5 Vote

**Prev. Agn. Ref.:** 3.19 of 12/23/02; 3.26 of 1/27/09 | **District:** 5/5 | **Agenda Number:**

**3-27**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Economic Development Agency / Facilities Management

**FORM 11:** Fifth Amendment to Lease, Riverside County Regional Medical Center, Human Resources, Moreno Valley, 10 year lease, District 5/District 5, CEQA Exempt, [\$22,700,333], RCRMC Departments-Hospital Enterprise Fund – 72.16%; MISP- 11.84% General Fund; Human Resources and Occupational Health - Operating Budgets – 16%

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**BACKGROUND:**

**Summary**

On December 23, 2002, the County of Riverside entered into a lease for 73,770 square feet of office space located at 14375 Nason Street, Moreno Valley, commonly referred to as the Campus Professional Center (“CPC”). Divisions of Riverside County Regional Medical Center (RCRMC), Human Resources, Public Health, have occupied the building adjacent to RCRMC providing services to the public and staffing which support RCRMC operations. RCRMC and Human Resources wish to continue their occupancy and extend the lease. Therefore, this Fifth Amendment to Lease is presented for approval and summarized below:

- Lessor: Campus Medical Center, LLC  
7095 Indiana Avenue, Suite 200  
Riverside, CA 92506
- Location: 14375 Nason Street, Moreno Valley
- Size: 73,770 square feet.
- Term: Ten years commencing July 1, 2014.
- Rent: New:  
\$ 2.08 per sq. ft. modified gross  
\$ 153,441.60 per month  
\$1,841,299.20 per year
- Rent Adjustment: 1.5% commencing the second anniversary of the lease and 3% annually thereafter.
- Option to Extend: One, five-year option.
- Utilities: County pays for utilities, including electric, gas, water and sewer.
- Custodial: Included in rent.
- Interior/Exterior Maintenance: Included in rent.
- Tenant Improvements: Lessor to provide, at Lessors expense, new flooring throughout occupied areas, paint where needed, an allowance for exterior building and interior signage.

The attached Fifth Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

**Impact on Residents and Businesses**

The lease renewal will allow continued services to the residents of the County either directly or as staff support. The continued occupancy of this building provides an economic impact to this area and to local businesses.

(Continued)

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**SUPPLEMENTAL:**

**Additional Fiscal Information**

See attached Exhibits A, B & C. The occupying departments have budgeted these costs is FY2014/15 and will reimburse EDA for all lease costs on a monthly basis.

**Contract History and Price Reasonableness**

Original lease was executed on December 23, 2002. The lease rate is consistent with market rates for the building type and location.

Attachments:

Exhibits A, B, & C

Fifth Amendment to Lease

# Exhibit A

FY 2014/15

**Campus Medical Center Lease Cost Analysis  
14375 Nason Street, Moreno Valley, California**

***ESTIMATED AMOUNTS***

**Total Square Footage to be Leased:**

Current Office:	73,770 SQFT	
Approximate Cost per SQFT (July - June)	\$ 2.08	
Lease Cost per Month (July - June)	\$ 153,441.60	
Total Lease Cost (July - June)		\$ 1,841,299.20
<b>Total Estimated Lease Cost for FY 2014/15</b>		<b>\$ 1,841,299.20</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)	\$ 8,852.40	
Total Estimated Utility Cost		\$ 106,228.80
RCIT		\$ -
Tenant Improvement		\$ -
EDA Lease Management Fee - 3.89%		\$ 71,626.54
<b>TOTAL ESTIMATED COST FOR FY 2014/15</b>		<b>\$ 2,019,154.54</b>
<b>TOTAL COUNTY COST 11.84%</b>		<b>\$ 239,067.90</b>

# Exhibit B

FY 2015/16

**Campus Medical Center Lease Cost Analysis  
14375 Nason Street, Moreno Valley, California**

***ESTIMATED AMOUNTS***

**Total Square Footage to be Leased:**

Current Office:	73,770 SQFT	
Approximate Cost per SQFT (July - June)	\$ 2.11	
Lease Cost per Month (July - June)	\$ 155,743.22	
Total Lease Cost (July - June)		<u>\$ 1,868,918.64</u>
<b>Total Estimated Lease Cost for FY 2015/16</b>		<b>\$ 1,868,918.64</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs per Month (July - June)	<u>\$ 8,852.40</u>	
Total Estimated Utility Cost		\$ 106,228.80
RCIT		\$ -
Tenant Improvement		\$ -
EDA Lease Management Fee - 3.89%		<u>\$ 72,700.94</u>
<b>TOTAL ESTIMATED COST FOR FY 2015/16</b>		<b><u>\$ 2,047,848.38</u></b>
<b>TOTAL COUNTY COST 11.84%</b>		<b>\$ 242,465.25</b>

# Exhibit C

## FY 2016/17 to FY 2023/24 Campus Medical Center Lease Cost Analysis 14375 Nason Street, Moreno Valley, California

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

Current Office: 73,770 SQFT

	FY 2016/17	FY 2017/18		FY 2018/19 - FY 2023/24
Approximate Cost per SQFT (July - June)	\$ 2.17	\$ 2.24		
Lease Cost per Month (July - June)	\$ 160,415.52	\$ 165,227.98	\$	1,100,825.18
Total Lease Cost (July - June)	\$ 1,924,986.20	\$ 1,982,735.79	\$	13,209,902.18
<b>Total Estimated Lease Cost for FY 2016/17 to FY 2023/24</b>	<b>\$ 1,924,986.20</b>	<b>\$ 1,982,735.79</b>	<b>\$</b>	<b>13,209,902.18</b>

#### Estimated Additional Costs:

Utility Cost per Square Foot	\$ 0.12	\$ 0.12	\$	0.12
Estimated Utility Costs per Month (July - June)	\$ 8,852.40	\$ 8,852.40	\$	8,852.40
Total Estimated Utility Cost	\$ 106,228.80	\$ 106,228.80	\$	637,372.80
RCIT	\$ -	\$ -	\$	-
Tenant Improvement	\$ -	\$ -	\$	-
EDA Lease Management Fee - 3.89%	\$ 74,881.96	\$ 77,128.42	\$	513,865.19
<b>TOTAL ESTIMATED COST FOR FY 2016/17 to FY 2023/24</b>	<b>\$ 2,106,096.96</b>	<b>\$ 2,166,093.01</b>	<b>\$</b>	<b>14,361,140.18</b>
<b>TOTAL COUNTY COST 11.84%</b>	<b>\$ 249,361.88</b>	<b>\$ 256,465.41</b>	<b>\$</b>	<b>1,700,359.00</b>

**F11: Cost - Total Cost \$ 22,700,333.06**  
**F11: Net County Cost - Total Cost \$ 2,687,719.43**

1 **FIFTH AMENDMENT TO LEASE**

2 (Campus Medical Center, L.L.C.,  
3 14375 Nason Street, Moreno Valley, California)  
4

5 This FIFTH AMENDMENT to Lease (Fifth Amendment) is made as of  
6 \_\_\_\_\_, 2014, by and between the **COUNTY OF RIVERSIDE**, a political  
7 subdivision of the State of California, (County), and **CAMPUS MEDICAL CENTER,**  
8 **L.L.C.**, a California limited liability company, (Lessor).

9 **1. Recitals**

10 a. Campus Medical Center, L.L.C, as Lessor, and County, have  
11 entered into that certain Lease dated December 23, 2002, (Original Lease) pertaining  
12 to the premises located at 14375 Nason Street, Moreno Valley, California, as more  
13 particularly described in the Lease.

14 b. The Original Lease has been amended by:

15 i. That certain First Amendment to Lease dated, February 3,  
16 2004, by and between County of Riverside and Campus Medical Center, LLC, (First  
17 Amendment).

18 ii. That certain Second Amendment to Lease dated February 7,  
19 2006, by and between County of Riverside and Campus Medical Center, LLC, (Second  
20 Amendment).

21 iii. That certain Third Amendment to Lease dated January 27,  
22 2009, by and between County of Riverside and Campus Medical Center, LLC (Third  
23 Amendment).

24 iv. That certain Fourth Amendment to Lease dated February  
25 23, 2010, by and between County of Riverside and Campus Medical Center, LLC  
26 (Fourth Amendment).

27 c. The Original Lease, as heretofore, currently, or hereafter  
28 amended, shall hereafter be referred to as the "Lease."

1 d. County and Lessor desire to further amend the Lease by extending  
2 the term, modifying the rent and completing tenant improvements.

3 **NOW, THEREFORE**, for good and valuable consideration the receipt and  
4 adequacy of which is hereby acknowledged, the parties agree as follows:

5 **2. Term.** Section 4.1 of the Lease shall be amended as follows: The term  
6 of this Lease shall be extended for a period of ten (10) years commencing July 1, 2014,  
7 and expiring June 30, 2024 (the "First Extension Term").

8 **3. Option.** A new section 4.5 shall be added to the Lease as follows:

9 **4.5. Option to Extend Term.** Lessor grants to County one (1) option to  
10 extend the Lease term beyond June 30, 2024, ("Extension Option"). The Extension  
11 Option shall be for a period of five (5) years ("Extended Term"), subject to the  
12 conditions described herein. The Extension Option shall be exercised by County  
13 delivering to Lessor written notice thereof no later than ninety (90) days prior to  
14 expiration of the First Extension Term, as outlined in Section 5 of the Lease.

15 The rent payable by County during this Extended Term shall be increased  
16 three (3%) annually on each anniversary.

17 **4. Rent.** Section 5 of the Lease shall be amended as follows: County shall  
18 pay to Lessor the monthly sum as rent for the Leased premises during the First  
19 Extension Term as indicated below:

20	July 1, 2014 – June 30, 2015	\$153,441.60
21	July 1, 2015 – June 30, 2016	\$155,743.22
22	July 1, 2016 – June 30, 2017	\$160,415.52
23	July 1, 2017 – June 30, 2018	\$165,227.99
24	July 1, 2018 – June 30, 2019	\$170,184.83
25	July 1, 2019 – June 30, 2020	\$175,290.37
26	July 1, 2020 – June 30, 2021	\$180,549.08
27	July 1, 2021 – June 30, 2022	\$185,965.55
28	July 1, 2022 – June 30, 2023	\$191,544.52



1 July 1, 2023 – June 30, 2024

\$197,290.86

2 **5. Improvements by Lessor.** Section 11 of the Lease shall be amended to  
3 add subsection 11.1.7 as follows:

4 **11.1.7 Additional Improvements by Lessor.** Lessor, at its total cost  
5 and expense, not subject to reimbursement by County, shall replace carpet in all  
6 sections currently carpeted and replace hard-surface flooring where requested.  
7 Lessor's responsibility shall include lifting of workstations utilizing furniture jacks,  
8 removal of existing carpet, installation of carpet tiles, new top set base, and hard  
9 surface flooring as approved by County. In addition, Lessor shall repaint the interior  
10 premises, color selected by County. County's responsibility shall include packing of  
11 files, moving of files and hard walled office furniture and removal of art and other  
12 related items on walls. All work stated herein shall be completed in phases, after hours  
13 or on weekends. Work shall commence upon County's request and completed in  
14 phases within 12 months or as soon thereafter as practicable. Lessor shall provide a  
15 \$10,000.00 allowance for exterior building signage and a \$5,000.00 allowance for  
16 interior building signage. Lessor shall commence revision to the HVAC system,  
17 including zoning, in areas that have been repeatedly reported, specifically in suites 208  
18 and 212.

19 **6. Fifth Amendment to Prevail.** The provisions of this Fifth Amendment  
20 shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore  
21 amended, and shall supplement the remaining provisions thereof. Unless defined  
22 herein or the context requires otherwise, all capitalized terms herein shall have the  
23 meaning defined in the Lease, as heretofore amended.

24 **7. Miscellaneous.** Except as amended or modified herein, all the terms of  
25 the Lease shall remain in full force and effect and shall apply with the same force and  
26 effect. If any provisions of this Amendment or the Lease shall be determined to be  
27 illegal or unenforceable, such determination shall not affect any other provision of the  
28 Lease and all such other provisions shall remain in full force and effect. The language

1 in all parts of the Lease shall be construed according to its normal and usual meaning  
2 and not strictly for or against either Lessor or Lessee. Neither this Amendment, nor the  
3 Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded  
4 by Lessee.

5 **8. Effective Date.** This Fifth Amendment to Lease shall not be binding or  
6 consummated until its approval by the County's Board of Supervisors and fully  
7 executed by the Parties.

8 LESSOR:  
9 COUNTY OF RIVERSIDE

LESSEE:  
CAMPUS MEDICAL CENTER, L.L.C,  
a California limited liability company

10  
11 By: \_\_\_\_\_  
12 Jeff Stone, Chairman  
13 Board of Supervisors

By: \_\_\_\_\_  
Robert A. Wolf, Manager

14 ATTEST:  
15 Kecia Harper-Ihem  
16 Clerk of the Board

17 By: \_\_\_\_\_  
18 Deputy

19  
20 APPROVED AS TO FORM:  
21 Pamela J. Walls  
22 County Counsel

23 By: \_\_\_\_\_  
24 Patricia Munroe  
25 Deputy County Counsel